



# INTERNATIONAL TROPICAL TIMBER COUNCIL

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AND MARKET INTELLIGENCE

COMMITTEE ON FOREST INDUSTRY

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## REPORT OF COMPLETED PROJECTS AND PRE-PROJECTS

This document highlights the work carried out under projects PD 196/03 Rev.1 (M), PD 340/05 Rev.2 (M), PD 391/06 Rev.2 (M) and pre-project PPD 138/07 Rev.1 (M) of the Committee on Economic Information and Market Intelligence, as well as projects PD 46/96 Rev.2 (I), PD 131/02 Rev.4 (I), PD 233/03 Rev.2 (I), PD 275/04 Rev.3 (I), PD 306/04 Rev.1 (I), PD 334/05 Rev.2 (I), PD 397/06 Rev.3 (I), PD 398/06 Rev.2 (I), PD 401/06 Rev.2 (I), PD 425/06 Rev.1 (I) and PD 431/06 Rev.1 (I) and pre-projects PPD 5/00 Rev.1 (I), PPD 97/04 Rev.1 (I) and PPD 125/06 Rev.2 (I) of the Committee on Forest Industry. The Committees may declare these projects and pre-projects complete:

### Committee on Economic Information and Market Intelligence

#### 1. PD 196/03 Rev.1 (M) Upgrading and Strengthening of the National Forest Statistical Information System in Venezuela

##### Budget and Sources of Funding:

Total Budget:	US\$	539,002
Government of Japan:	US\$	384,265
Government of Venezuela:	US\$	154,737

Implementing Agency: Dirección General del Recurso Forestal (DGRF) del Ministerio del Ambiente y de los Recursos Naturales (MARN)

Council Session Approved: Thirty-fourth (Panama City, 2003)

Starting Date: September 2004

Duration:	Planned:	24 months
	Actual:	59 months

The objective of this project was to strengthen the National Forest Information System of Venezuela developed in 1992. Project activities included data sharing among information-generating institutions as well as development of new modules and four regional nodes to decentralize the collection, processing and validation of statistical information.

According to the Completion Report submitted to the ITTO Secretariat, the following outputs were achieved:

- Requirements and needs to up-date and consolidate the National Forest Information System identified. The output was achieved, with the flow of information among different institutions in the forest sector enhanced through the establishment of Provincial Committees for Forest Statistics and Information.

- Computer equipment and software installed at central and provincial levels. The output was achieved, with equipment set-up for four nodes at the central level and five nodes at the provincial level.
- Personnel trained. The output was achieved. Training was conducted in the fields of management of statistics and the use of data-bases. During the training sessions, the protocols to collect and compile data were revised and guidelines for their use were formulated and distributed to the Provincial Committees. Altogether, 66 professionals were trained.
- Information validated at field level for the various types of forest operations. The output was achieved. The processes of data collection were tested and verified in the field. The connectivity between the regional nodes with the central system was also tested.
- Website established and operational. The output was achieved. Seven new modules had been integrated into the National Forest Information System. The system can run 96 different types of reports/searches at the Ministry's intranet <http://snief.desarrollo.minamb.gob.ve>

The project was executed below the approved ITTO budget as the technological platform was already in place at the time of project execution. The Implementing Agency reported savings to the amount of US\$80,000.00 which will be returned to the ITTO Secretariat.

The Implementing Agency had duly submitted the Technical Reports, Completion Report, and Final Financial Audit to the ITTO Secretariat. The Committee may wish to declare this project complete.

## **2. PD 340/05 Rev.2 (M) National Forest Statistical Information System in Guatemala**

### Budget and Sources of Funding:

Total Budget:	US\$	466,913
Bali Partnership Fund Sub-account A:	US\$	205,523
Government of Japan:	US\$	50,000
Government of U.S.A.:	US\$	50,000
Government of Guatemala:	US\$	161,390

Implementing Agency: Instituto Nacional de Bosques (INAB)

Council Session Approved: Fortieth (Mérida, 2006)

Starting Date: September 2007

Duration:           Planned:       24 months  
                          Actual:           38 months

The development objective of the project was to contribute to the social and economic development of the country by providing timely, easy-to-access, reliable information on forest activities which would also serve as the basis for the development of policies to promote national and foreign investment in the sector.

The specific objective was achieved through the establishment of a national statistical system which contains data on forest management, harvesting, processing and marketing.

According to the Completion Report submitted to the ITTO Secretariat, the following outputs were achieved:

- Elaborating methodologies to compile, standardize process, analyze and define forest statistical information. The output was achieved. Criteria for collecting and analyzing information was put in place among the various entities which generate information such as INAB (National Institute of Forest of Guatemala), CONAP (National Council for Natural Protected Areas), Customs, Treasury, and private entities.
- A system for forest information designed and established throughout the country. The output was achieved. The forest information system had been designed and is operational.
- Information System established and operational at the points of origin of information. The output was achieved. Sixteen regional offices have been connected on-line to the INAB's central office.

- Statistical information produced and disseminated through the System. The output was achieved. The System is already accessible at [www.sifgua.org.gt](http://www.sifgua.org.gt) and the available information includes: statistics on exports / imports 1998-2010; information on all current permits for forest harvesting and wood production; a compilation of traded forest species of Guatemala; a compilation of traded forest products for export (HS codes); a compilation of CITES species; a compilation of forest enterprises; and a compilation of forest technical experts.
- Trained personnel. The output was achieved. Fifty-eight staff from INAB and CONAP were trained in the collection of data.

The project was executed below the approved ITTO budget and the Implementing Agency has returned the remaining funds to the amount of US\$3,606.00 to the ITTO Secretariat.

The sustainability of project has been secured following the integration of the project staff into the organizational structure of INAB. INAB has also been paid the renewal of software licenses and insurance. INAB has indicated that the Statistical System will be used as a tool in the implementation of its institutional plan against illegal logging.

The Implementing Agency has submitted the Technical Reports, Completion Report, Final Financial Audit, and an article for the TFU to the ITTO Secretariat. The Committee may wish to declare this project complete.

### **3. PD 391/06 Rev.2 (M) Promoting and Creating Market Demand for Certified Tropical Wood and Verified Legal Tropical Wood (Japan)**

Budget and Sources of Funding:

Total Budget:	US\$	372,142
Government of Japan:	US\$	313,892
Implementing Agencies:	US\$	58,250

Implementing Agencies: Friends of the Earth Japan (FoE Japan)  
Global Environment Forum (GEF)

Council Session Approved: Forty-first Session (Yokohama, 2006)

Starting Date: May 2007

Duration:	Planned:	36 months
	Actual:	40 months

The Development Objective of the project was to promote and create market demand for certified tropical wood and verified legal tropical wood (C/VL wood). Towards this end, there were two specific objectives of the project with Specific Objective 1 aimed at promoting the use of C/VL wood in Japan by establishing and operating the web-based Fairwood Center for exchange of information related to C/VL wood and Specific Objective 2 aimed at supporting the introduction of credible certification and verification systems in tropical wood exporting countries.

According to the Completion Report submitted to the ITTO Secretariat, the following outputs were achieved which contributed to the realisation of Specific Objective 1:

- Pre-study of the degree of interest in procuring C/VL wood in Japan and to identified obstacles conducted. The output was achieved with a compilation of a report.
- Creation of a guidebook on the environmental and social issues associated with tropical wood from Indonesia and Malaysia. The output was achieved with the compilation of the guidebook.
- Two workshops to introduce Japanese companies to environmental and social information on tropical wood as well as ways to avoid environmental/social risks conducted. The output was achieved with the workshops conducted in Tokyo and Osaka.
- Fairwood Center to act as a clearing house and point of expertise for information necessary to create a strong cooperative relationship between consumer and producer countries for trade in C/VL wood established. The output was achieved with the Fairwood Center established albeit not as a clearing house but a web-based center for information gathering and dissemination.

- Assistance to Japanese companies to develop procurement policies for C/VL wood extended. The output was realised with several companies assisted in developing procurement policies for C/VL wood.
- Study to activate information on C/VL wood from Papua New Guinea (PNG) including options for linking suppliers with potential buyers of C/VL wood conducted. The output was achieved with the compilation of the report of the study disseminated through the Fair Wood Center.

The following outputs were achieved which contributed to the partial realisation of Specific Objective 2:

- Obstacles to introducing certification and verification systems in tropical wood producing countries identified. The output was achieved with the obstacles identified and a report compiled.
- Support to introduce phased approaches for certification and verification systems in tropical wood producing countries extended. This output was not achieved due to the complexity of the tasks as well as limitations in project budget and capacity of the Implementing Agencies.

The project was initially implemented with a duration of 24 months and an approved budget of US\$302,472.00. The duration of the project was extended for an additional 12 months with additional ITTO funding and counterpart funding of US\$69,670.00. It took a further extension of 4 months of the project's duration without additional ITTO funding before its implementation was completed. Due to the complexities of the project and difficulties encountered in its implementation coupled with it being under-budgeted, Objective 2 and Output 2.2 of the project was only partially achieved.

The Implementing Agencies have submitted the Technical Reports, Completion Report, Reports of the Final Financial Audit and an article for the TFU to the ITTO Secretariat. The Committee may wish to declare the project complete.

#### **4. PPD 138/07 Rev.1 (M) Verifying the Legality of Timber Forest Products in Peru**

Budget and Source of Funding:

Total Budget:	US\$	79,844
TFLET (Government of Netherlands):	US\$	59,844
TFLET (Government of Finland):	US\$	20,000

Implementing Agency: Bosques, Sociedad y Desarrollo (BSD)

Council Session Approved: Forty-fourth (Yokohama, 2008)

Starting Date: July 2009

Duration:	Planned:	9 months
	Actual:	18 months

The objective of the pre-project was to promote voluntary chain-of-custody networks and generate competitive forest products on the basis of socially and environmentally sound practices. To this end, the pre-project assessed and validated instruments that would help develop trust among producers towards ensuring the sustainability and legality of tropical timber products from Peru.

According to the Completion Report submitted to the ITTO Secretariat, the following outputs were achieved:

- Pilot scheme for timber traceability to guarantee sustainability and legality implemented. The output was achieved. The pilot scheme was implemented involving the tracking of a timber consignment from the Peruvian Amazon to its destination in the USA. The pilot scheme covered all steps from the authorization of management plan to harvesting, transportation, primary processing, issuance of CITES certificate, shipping, and delivery to the port of destination in USA. The implementation of the pilot scheme also produced results that were documented in the technical reports covering an assessment of the Government's capabilities in operating a timber traceability scheme (from control points to issuance of CITES certificates, infrastructure and technology; policy proposals for the promotion of timber traceability systems; technological options for traceability systems for tropical forests; and implementation of experimental timber tracking systems.

The cost-benefit analysis of the pilot scheme indicated that the market was not paying any premium for certified legal timber and that there was still skepticism about timber tracking systems. Nevertheless, traceability systems could improve productivity and save time in obtaining Government approval for management plans, verification, and issuance of certificates.

The actual cost of developing a pilot timber traceability scheme exceeded the approved budget of the pre-project. There was a significant increase in counterpart contribution particularly from the private sector to cover items such as duty travel and utilization of technologies.

Relevant reports and presentations concerning the pre-project can be accessed from the pre-project website [www.trazabilidadforestal.com](http://www.trazabilidadforestal.com)

- A project proposal for the development of feasible timber traceability options in Peru formulated. The output was achieved. A project proposal was drawn up in August 2010 and subsequently submitted by the Government of Peru, to the ITTO Secretariat. The project proposal entitled PD 621/11 (M) "Traceability of Timber Produced by Forest Concessions and Native Communities in Madre de Dios and Ucayali" was assessed and given a Category 2 by the Forty-second Expert Panel for the Technical Appraisal of Project Proposals.

The Implementing Agency has submitted the Technical Reports, Completion Report, Final Financial Audit, and an article for TFU to the ITTO Secretariat. The Committee may wish to declare this pre-project complete.

## Committee on Forest Industry

### 1. PD 46/96 Rev.2 (I) Establishment of a Wood Workers and Craftsmanship Village (Ghana)

Budget and Sources of Funding:

Total Budget:	US\$	716,355
Government of Japan:	US\$	436,355
Government of U.S.A.:	US\$	50,000
Government of Ghana:	US\$	230,000

Implementing Agencies: Furniture and Wood Products Association of Ghana (FAWAG) and the Timber Export Development Board

Starting Date: February 1998

Duration: Planned: 60 months  
Actual: 104 months

The project aimed at relocating scattered small-medium scale furniture producers and other wood workers in and around Kumasi with the view to improving on their production efficiency, skills and income generation capability to become viable suppliers of more quality furniture parts and components, to the local market as well as a halting an eminent environmental problem due to dumping of sawdust waste from their activities in a river. The specific objectives of this project were to upgrade the production facilities, market information systems and also to improve and adapt the level of skills of furniture producers at the Wood Village to identified present and future customer and market needs.

The project built a wood furniture and craftsmanship village to relocate about 60 small wood processing and furniture industries from metropolitan Kumasi, Ghana. The relocated industries served common facilities which include a kiln dryer, a saw doctoring shop, a moulding unit, and laminating and finishing units. A corporation was set up to run these facilities and to provide the village with the necessary administrative and technical support and back-up services on a commercial basis. The services included marketing assistance to promote exports by furniture industries participating in the project. The services of the common processing facilities were available to all companies which relocate in the village. Results of a feasibility study included in the project proposal indicate that the establishment of the village and common processing facilities is economically feasible. ITTO funds were used primarily to finance the initial operation of the village; the civil construction and setting up of service shops, including the purchase of equipment; and the provision of technical assistance.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

### 2. PD 131/02 Rev.4 (I) Training of Forest Practitioners for the Improvement of Forest Industry in Cambodia

Budget and Sources of Funding:

Total Budget:	US\$	318,362
Government of Japan:	US\$	290,842
Government of Cambodia:	US\$	27,520

Implementing Agency: Forestry Administration, Cambodia

Council Session Approved: Thirty-Fifth (Yokohama, 2003)

Starting Date: August 2005

Duration: Planned: 24 months  
Actual: 61 months

The project aimed at improving the forest industry and timber trade policy through strengthening the capacity of Forest Administration and Forest Industry human resource development with a view to upgrading technologies and competitiveness at all market levels in compliance with Sustainable Forest Resources Management. The specific objective of this project was to increase the recovery rate of forest products production, from log to manufacturing, through training programme adapted for low educational background of forest practitioners.

After a long delay in implementing the training courses due to the national reform of the concession management plans, the project activities have been resumed in early 2008. An international consultant was selected to assist in preparing the training courses modules. All projects' activities have been completed and outputs had been achieved, which include: three teacher-trainers completed their training at the FRIM. The four training courses were held at Forestry and Wildlife Training Center on the following dates: 20 July – 1 August 2009, 20 August – 1 September 2009, 23 October – 6 November 2009 and 4 – 18 January 2010, and one hundred and twenty (120) forest practitioners were trained in improved forest management techniques.

The project has contributed to the attainment of the development objective to improve the forest industry and timber trade policy through strengthening the capacity of the forest administration and forest industry human resource development. The immediate impacts of the project implementation can be identified as follows: 1) the Forestry Administration and concerned stakeholders recognized appropriate wood processing technologies that may be implemented in the factories and be adopted in future policy to improve efficiency in timber processing and utilization; and 2) the need to organize similar training course by Forestry Administration and/or other providers such as university.

The national forestry policy promotes private sector forest products development to meet the needs of local markets. Forest products manufacturing is a fundamental part of the majority of rural people's livelihoods and it is expected to become more important as part of on-going national reforms to expand decentralized forestry system. An enabling condition to add value to forest products is planned by the Forestry Administration to pursue through appropriate training on efficient utilization and processing of timber resources, and prohibition of logs and rough sawn timber export in order to enhance incentives for local timber industry for producing high quality added-value products.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

**3. PD 233/03 Rev.2 (I) Application of Intermediate Technologies for Sustainable Forest Harvesting (Peru)**

Budget and Sources of Funding:

Total Budget:	US\$	745,907
Government of Japan:	US\$	552,089
Government of Peru:	US\$	193,818

Implementing Agency: FONDEBOSQUE (Fondo de Promoción del Desarrollo Forestal)

Council Session Approved: Thirty-five (Yokohama, Japan)

Starting Date: November 2004

Duration:	Planned:	24 months
	Actual:	73 months

The project aimed at contributing to technological and environmental development in Peru through the improvement of timber production from small and medium concessionaires and native communities in the major Amazon regions of the country.

For the achievement of the specific objective, the project implemented a training, dissemination, and extension programme for the use of appropriate intermediate technologies for forest harvesting (portable sawn-millers) in concessions under the management of small and medium producers and native communities. The programme had two main components, one for capacity building and one for financing.

The capacity building component focused on training for the proper use of the technology and on business management, allowing the concessionaires to process logs into sawn timber right at the concession, which proved benefits such as:

- Add value to the timber right in the forest;
- Ease logistics and reduce transportation cost;
- Reduce the risk of losses caused by lost/damage of logs during river transportation;
- Reduce the impact in the forest; and
- Increase income and market access.

The financing component, established a guarantee fund at a local bank, which provided a credit line to the concessionaires for the acquisition of the technology. As credits were repaid, further credits were extended.

According to the completion report, outputs were achieved as follows:

- Harvesting modules installed and operational in 3 regions of the Peruvian Amazon: 11 forest concessionaires acquired and operated portable sawn-millers through credits given under the guarantee fund;
- Development and implementation of a training, extension, dissemination, and promotion programme for the application of appropriate intermediate technologies in forest harvesting: activities under this output were completed in October 2008 with a total of 10 training sessions; training modules were prepared, published, and use in several dissemination events; and
- Technical assistant for the formulation and implementation of annual harvesting and business plans, monitoring evaluation and validation: technical assistance was provided to the concessionaires who used the portable sawn-millers and seven business plans were developed and remain operational.

As for project finances, expenditures were under the budget for the ITTO contribution, since the EA realized that there was not need to install 4 harvesting modules for training. Savings were reported at US\$55,040.00, while counterpart contribution reported an increase to a total of US\$238,298.00.

On top of the savings, the EA also returned to ITTO the balance of the guarantee fund in the amount of US\$40,353.21 in August 2011.

The Executing Agency has submitted technical reports, completion report, and final financial audit. The Committee may wish to declare this project duly complete.

#### **4. PD 275/04 Rev.3 (I) Improvement of the Sustainable Management and Utilization of Non-Timber Forest Products (NTFPS) in Cambodia**

Budget and Sources of Funding:

Total Budget:	US\$	588,412
Government of Japan (BPF-A):	US\$	430,312
Government of Norway:	US\$	10,000
Government of Cambodia:	US\$	130,100
CIRAD:	US\$	18,000

Implementing Agency: Forestry Administration (FA)

Council session approved: Thirty-seventh (Yokohama, 2004)

Starting Date: May 2006

Duration:           Planned:       36 months  
                          Actual:           52 months

The project aimed at improving local livelihood by achieving a sustainable management of non-timber forest resources, in its social, economic and legal aspects. The specific objectives of this project were to help reorganizing local management of NTFPs in its social and legal aspects and to improve the NTFP



management and trading, by improving the management of the resource, including plantation and processing.

All of the project outputs have been achieved, as follows: 1) An NTFP Processing trainings were conducted in 5 villages. The training approach included building training concept involving 84 participants and the processing NTFP training involving 34 participants. The training participants were villagers and Forestry Administration staff; 2) NTFP interest groups were established, namely: ten groups for collecting and planting and eight groups for processing; 3) an NTFP Resource Management Plan was developed for Tum Or Village in Kampong Tom Province. The project produced technical reports, i.e. Potential NTFP for Trading, Marketing Assessment and Training Implementation.

There are several project elements conducive to sustaining project contributions to improve the livelihoods of local communities and strengthening the sustainable management of NTFPs in the target villages, namely:

- The extensive trainings provided to local and Forestry Administration staff have broadened their understanding on the contribution of the project initiatives to improve the local livelihoods and strengthen the sustainable management of NTFP resources;
- The establishment of ten NTFP collecting and planting interest groups and eight NTFP processing interest groups will improve market access of the NTFP products; and
- The developed NTFP Resource Management Plan has been approved by the Forestry Administration. The Plan served as a prototype that will be replicated and use to manage NTFP in other villages in the Country.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

#### **5. PD 306/04 Rev.1 (I) Improving Utilization and Value Adding of Plantation Timbers from Sustainable Sources in Malaysia**

##### Budget and Source of Funding:

Total Budget:	US\$	1,446,001
Government of Japan (BPF-A):	US\$	499,867
Government of Malaysia:	US\$	830,134
Private Sector:	US\$	116,000

Implementing Agency: Forest Research Institute Malaysia (FRIM)  
in cooperation with  
Timber Research & Technical Training Centre of the  
Sarawak Forest Department and  
Forest Research Centre of the Forest Department of Sabah

Council Session Approved: Thirty-Seventh (Yokohama, 2004)

Starting Date: August 2006

Duration:	Planned:	36 months
	Actual:	60 months

This project aimed at improving end-uses and value adding of Malaysian forest plantation resources through systematic evaluation of their basic physical and mechanical properties in order to contribute to the development of sustainable wood-based industries. The specific objectives of this project were to produce technical data on wood characteristics of selected plantation-grown species from Malaysia based on the harmonized set of procedures developed and to develop suitable techniques for production of value-added timber products from the existing plantations and its technology transfer.

All activities of the project have been fully implemented and the outputs were achieved. The project has produced publications as follow:

- Testing methods for plantation grown tropical timbers;

- Properties of Acacia mangium planted in peninsular Malaysia;
- Properties of Shorea Macrophylla (engkabang jantung) planted in Sarawak;
- Anatomical features, quality and mechanical properties of 15-year-old Tectona grandis (teak) planted in Sabah; and
- Proceedings of the seminar and workshop on improved utilization of tropical plantation timbers.

The primary beneficiaries of the developed method are those involved in the testing activities while the information gathered could be applied by the plantation owners or licensees, and the products developed can benefit those involved in the downstream processing. The findings derived from this project have been generally well received by target groups. Two plantation owners in Sarawak have already indicated their interest to engage the testing services of Timber Research and Technical Training Centre (TRTTC) based on the harmonized methodology while in the Peninsula, the relevant ministry has also indicated likewise besides industry players from Sabah. This project has generated great interest in the country such that the prospects of sustainability are excellent judging from:

- The feedback received from government agencies, plantation owners, timber industry and the Japanese collaborator;
- The whole range of desired technical data obtained from trial testing showing that the manual is well-suited for tropical plantation timbers;
- The good demand for plantation-grown timbers as they are sustainable managed; and
- The possibility of vigorous promotion among stakeholders and producing countries as well as publicity in international fora.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

**6. PD 334/05 Rev.2 (I) Demonstration and Application of Production and Utilization Technologies for Rattan Sustainable Development in the ASEAN Member Countries (Philippines)**

Budget and Sources of Funding:

Total Budget:	US\$	899,873
BPF-B:	US\$	629,873
Government of the Philippines:	US\$	270,000

Implementing Agencies: Ecosystems Research and Development Bureau (ERDB)  
Department of Environment and Natural Resources (DENR)

Council Session Approved: Thirty-eight (Brazzaville, 2005)

Starting Date: April 2006

Duration: Planned: 48 months  
Actual: 60 months

The projects aimed at strengthening ASEAN collaboration to promote the sustainability of rattan resources through demonstration of production and utilization technologies. The two specific objectives of the project were: application of production and utilization technologies in rattan demonstration plots at the village level; and generation of relevant technologies on production, utilization and on socio-economic aspects of rattan, including its dissemination through the ASEAN Rattan Centre.

According to the Completion Report, outputs were achieved as follows:

- Training on rattan production and utilization technologies:
  - A total of 20 trainings conducted on rattan production and utilization technologies in the ASEAN member countries (Cambodia, Indonesia, Lao PDR, Myanmar, Philippines, Thailand and Vietnam).

- Five training modules prepared and distributed during the different workshops. The modules are also available at the project's website [www.aseanrattan.com](http://www.aseanrattan.com) and at ITTO's website [http://www.itto.int/project\\_reports/](http://www.itto.int/project_reports/):
  - Rattan nursery and planting,
  - Rattan plantation establishment and management,
  - Control methods against insect and fungi of rattan,
  - Kiln drying of rattan, and
  - Bleaching and finishing of rattan.
- Research on technologies: a total of 8 research studies completed. Topics of the studies included: application of preservatives; grading rules for rattan; community-base rattan plantations; physical-chemical properties of specific rattan species; growth performance of specific rattan species; etc.
- Pilot demonstration plots established: a total of 222 hectares of rattan plantation plots established and maintained (versus 200 hectares as originally planned).
- Networking: seven different issues of the Rattan Newsletter were published; the newsletters are also available at the project's website [www.aseanrattan.com](http://www.aseanrattan.com). A Regional Conference on production and utilization technologies for rattan (additional activity) was held in the Philippines on 29 August to 1 September 2010. During this conference two publications were launched which are also available at the project's website and at ITTO's website:
  - "A Field Guide to Philippine Rattans", and
  - "The ASEAN Rattans".
- ASEAN Rattan Centre created and established: the Centre included a website [www.aseanrattan.com](http://www.aseanrattan.com) and a Database on rattans, which has been established and are maintained on regular basis.

Total expenditures were under the budget and the Executing Agency returned unspent funds to ITTO in the amount of US\$13,385.00 in February 2011.

The Executing Agency has submitted all mentioned technical reports, completion report, final financial audit, and an article for the TFU. The Committee may wish to declare this project duly complete.

#### **7. PD 397/06 Rev.3 (I) Sustainable Development of the Wood Based Industries in South Kalimantan (Indonesia)**

##### Budget and Sources of Funding:

Total Budget:	US\$	183,696
Government of Japan:	US\$	155,196
Government of Indonesia:	US\$	28,500

Implementing Agency: Forestry Service of South Kalimantan Province

Council Session Approved: Forty-First (Yokohama, 2006)

Starting Date: May 2008

Duration:	Planned:	18 months
	Actual:	27 months

This project aimed at contributing to the sustainable development of wood-based industries in Indonesia. The specific objective of this project was to develop a comprehensive master plan for wood-based industries in South Kalimantan province.

This small project focused on developing a master plan at the provincial level as a guide for policy direction in the wood-based industry, particularly in the context of decentralization era. South Kalimantan province has the largest scale wood-based industry in Kalimantan. However the industry was experiencing over-capacity due to uncontrolled permits in the past causing shortage of raw materials. The project also established a mechanism and strategies for implementing the developed master plan.

A Master Plan of Sustainable Development of the Wood Based Industries in South Kalimantan Province was formulated and adopted by the Provincial Government through its Governor Decree. The Master Plan contains mapping of forest based industries in South Kalimantan Province, vision, mission, targets, strategies and implementation agendas for the development of wood industries in the Province.

The Master Plan will benefit the stakeholders of timber based industry sector in South Kalimantan, as follows:

- For governments, to determine policy in order to develop sustainable timber sources to fulfill log supply for timber based industry. Additionally, the government possibly will be able to accurately targeting revenue and taxes from timber based industry;
- For forest industry sector, to determine type of timber based industry that has high competitiveness. Additionally, the Sector will be able to make decision for asset improvement, both through machinery modification and mill relocation toward efficiency and high sustainable growth industry, as well as improving its market segment;
- For community, to participate in small scale business and cooperative as their contribution share to local and national economy. Business related activities that can be undertaken by community/farmers are including Community Timber Estate (HTR) development, Community Forestry (HK) development, Land/Forest Rehabilitation Movement Programme, and establishing small industry and cooperative at village and sub district levels; and
- For Entrepreneur, to possibly develop other business sector due to multiplier effects from timber based industry development, therefore, may perhaps expanding business opportunity to improve community's income, local and national economy to reduce poverty and unemployment.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

**8. PD 398/06 Rev.2 (I) Promoting the Utilization of Plantation Timber Resources by Extending Environmentally Sound Preservation Technology (China)**

Budget and Source of Funding:

Total Budget:	US\$	413,560
Government of Japan (BPF-A):	US\$	291,060
Government of China:	US\$	122,500

Implementing Agency: GDFRI – Guangdong Forest Research Institute

Council Session Approved: Forty-First (Yokohama, 2006)

Starting Date: November 2007

Duration:       Planned:       36 months  
                  Actual:         42 months

This project aimed at promoting the use of plantation timber resources by further develop and extension of environmentally sound preservation technology to contribute to the sustainable development of plantation forest in the South China region. The specific objectives of this project were to develop environmentally sound timber preservative technologies and establish treated timber products monitoring system to ensure the efficient use of the plantation timber resources and to continue and further expand the on-going demonstrations programs commenced in PD 52/99 Rev.2 (I), and to establish a demonstration treating plant playing as a leading sample in products.

All expected project's outputs were achieved, as follows:

- A biological laboratory, a chemical analysis laboratory and 2 timber exposure yards were set up and a treated timber product monitoring system is in operation;
- Improved technologies, including new developed environmentally sound preservatives are available and used in forest industry sector, especially in Guandong Province;

- Bamboo classification was established and some preserved treatment techniques were established;
- A demonstration treating plant was set up; and
- Treated-timber Used in Agriculture Demonstration-region (TUAD) was established.

The technical reports produced, include:

- A fast method for copper active component in ACQ wood preservative;
- Study on the fast test methods for wood preservatives;
- Test on effectiveness of concentrated borate wood preservatives;
- Study on the flame-retardation properties of treated wood with fire retardant SLB;
- Flame retardant performance of the boron-contained wood preservative SBB;
- Waterproof property of laminated veneer lumber (LVL) made from poplar veneer treated with water repel;
- Study on the performance of treated bamboo with environmental-friendly anti-mould agents;
- Laboratory exposure tests on bamboo species;
- The natural durability and preservative treatability of 11 bamboo species; and
- Grading the performance of 18 common bamboo species.

The assurance for the sustainability after project completion was indicated, as follows:

- The project team has played important role in promoting the development of wood preservation industry in the region and this will be continued. The Guangdong Forestry Academy (GFA) has included the application of preservative technology as priority in its extension programme;
- Through the Provincial People's Congress, the Provincial Government has accepted suggestions from the Project, namely: extending uses of treated timber in the construction of urban public facilities and strengthening investment in wood protection research; and
- Growing demands from industry sector to GDFRI of the GFA for services in timber treatment.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

**9. PD 401/06 Rev.2 (I) Value Adding and Kiln Drying of Commercial Timbers by Small Scale Community Sawmillers in Guyana**

Budget and Sources of Funding:

Total Budget:	US\$	460,299
Government of U.S.A.:	US\$	347,004
Government of Guyana:	US\$	113,295

Implementing Agency: GFC - The Guyana Forestry Commission

Council Session Approved: Forty-first (Yokohama, 2006)

Starting Date: December 2008

Duration:	Planned:	12 months
	Actual:	28 months

The project aimed to trial commercial kiln drying of wood in three regions of the country for community small scale sawmilling as demonstration of the value-adding and quality standards expected by international markets.

According to the Completion report, outputs were achieved are as follows:

- Technical specifications for the kiln dryers developed: output achieved and technical report delivered to ITTO in February 2009.
- Kiln dryers appropriate to the needs of the small scale community sawn-millers installed: output achieved. Three kilns were commissioned and installed in the localities of Essequibo, Demerara

and Berbice from July to November 2010.

- Training in kiln drying available for small scale community saw millers: output achieved. Training manuals were developed and distributed to 100 beneficiaries from the industry. Practical training was conducted at each site, training over 30 operators and members of the local associations who were the main primary beneficiaries of the kilns. The training modules were on:
  - Introduction to wood drying,
  - Wood properties for drying,
  - Preparation wood for drying,
  - Biological structure and microscopy of the wood,
  - Drying schedules and related issues,
  - Relationship between water and wood fibre,
  - Movement and flow of the water within the wood,
  - Drying schedules,
  - Drying defects and minimizing of deformation of the wood during drying,
  - Energy consumption during drying,
  - Thermo modified timber,
  - Different drying kiln technologies,
  - Protective measures and safeguards, and
  - Servicing and maintenance of the kilns.

Sustainability of project activities after the ITTO's support has been secured through the establishment on three kilns associations to manage and operate the kilns. The GFC is a member of the governance structure of each association, and the cooperation of Forest Products Development and Marketing Council (FPDMC) has been secured to provide technical support and marketing advice.

Total expenditures were within the budget for the ITTO contribution, however counterpart contribution increased slightly to a total of US\$115,573.00 vs. US\$113,295.00 as stated in the project document.

The Executing Agency has submitted technical reports, completion report, final financial audit, and an article for the TFU. The Committee may wish to declare this project duly complete.

**10. PD 425/06 Rev.1 (I) Production and Utilization Technology for Sustainable Development of Eaglewood (Gaharu) in Indonesia**

Budget and Sources of Funding:

Total Budget:	US\$	619,225
Government of Japan:	US\$	499,975
Government of Indonesia:	US\$	119,250

Implementing Agency: FORDA - Forestry Research and Development Agency

Council Session Approved: Forty-First (Yokohama, 2006)

Starting Date: April 2008

Duration:	Planned:	36 months
	Actual:	40 months

The project aimed at promoting and sustaining eaglewood production in both production natural forest and privately-owned land to support eaglewood based industries toward sustainable forest management and forest communities' welfare. The specific objectives of the project were to introduce inoculation technology for increasing eaglewood production and to disseminate the technology to communities living in and around the forest.

All expected project's outputs were achieved, as follows:

- Identified tree species susceptibility (7 *Aquilaria* species and *Gyrinops vergeestii* were identified);
- Selected pathogen for inoculation (selected from Gorontalo, Jambi, Papua and West Nusa Tenggara Provinces);

- Better inoculation engineering (liquid medium and solid medium);
- Two established demonstration trial plots of *Aquilaria* sp (24 hectares in West Java and 48 hectares in South Kalimantan, and around 2000 eaglewood trees inoculated);
- Trained forest communities of the inoculation technology (more than 1000 people were trained); and
- Conducted workshop (two workshop and one additional seminar were conducted).

The project has developed eaglewood induction technology in several provinces and some 2000 trees has been inducted. Trainings on induction technology have been conducted in 20 locations across Indonesia. In total the project has trained some 1000 villagers.

The project has produced six technical reports of the project's outputs and 3 publications. The publications are:

- Fragrant Wood Gaharu (Eaglewood);
- Development of Gaharu Production Technology; and
- Bioinduction Technology for Sustainable Development and Conservation of Gaharu (Proceeding of Gaharu Workshop).

The Executing Agency has developed and implemented the project's exit strategies to ensure sustainability of the project's results. The Executing Agency has established cooperation with farmer groups to ensure continued support to the established demonstration plots, and carried out further research to get better result of derivative products of eaglewood oil.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

**11. PD 431/06 Rev.1 (I) Processing and Utilization of Trees on Farmlands and Logging Residues through Collaboration with Local Communities (Ghana)**

Budget and Source of Funding:

Total Budget:	US\$	523,689
Government of Japan (BPF-A):	US\$	158,752
Government of Switzerland:	US\$	300,000
Government of Ghana:	US\$	64,937

Implementing Agency: FORIG - Forestry Research Institute of Ghana

Council Session Approved: Forty-First (Yokohama, 2006)

Starting Date: March 2007

Duration:	Planned:	36 months
	Actual:	53 months

The project aimed at increasing the benefits that local communities derive from forest resources and thereby enhance their contribution to sustainable forest management. The specific objective of the project was to promote processing of logging residues and trees on farmlands and thereby provide increased timber products as well as generate employment and income to local communities and some individual farmers. The project has made lumbers available to local communities that live close to the forests in Ghana to enable them to benefit from timber on farmlands and forest logging residues. This, among many other things, will prevent the local communities from collaborating or cooperating with illegal chainsaw operators whose activities are leading to forest degradation in Ghana.

The specific objective was fully achieved. The project achieved this by promoting the processing of different species, increasing lumber yield for the various species by 46-50% more with the improved chainsaw facilities (logosol) than freehand chainsaw milling. The project also facilitated: 1) the Dominase community to process 5285 pieces of lumber of various species some which were sold and yielded financial

value GHC11028 equivalent to \$7352; 2) Nsabrekwa community were facilitated to process 4486 pieces of lumber of various species some which were sold and yielded financial value of GHC 14202 equivalent to \$9468; 3) and Ankase community were facilitated to process 4072 pieces of lumber of various species some which were sold and yielded financial value of GHC 6115 equivalent to \$ 4077. Some of the lumbers were also used for different domestic activities. The project also trained and employed 25 operators and also trained 22 market offices who marketed the lumber.

The project has submitted to the Forest and Wildlife Policy Review Committee a proposal on Harvesting and processing on trees on farmlands and logging residues by farmers to be included in New Policy to come next year to enable farmers have benefits trees on their farmland which is likely to be approved for inclusion in new forest and wildlife policy which is to replace the present policy.

The project has produced four technical reports, namely:

- Extraction and processing of tress on farmlands and logging residues;
- Identification of gaps in policy and regulatory frameworks on governance related to processing of tress on farmlands and logging residues;
- Impact assessment on the use of logosol (improved Chainsaw) facilities on farmlands and rural livelihoods; and
- A manual for processing of tress on farmlands and logging residues using Logosol for local communities.

The completion, technical and financial audit reports for the project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.

**12. PPD 5/00 Rev.1 (I) Sustainable Management of Non-Timber Forest Produce (NTFP) in Maharashtra State of India**

Budget and Sources of Funding:

Total Budget:	US\$	82,672
Government of Japan:	US\$	64,522
Government of India:	US\$	18,150

Implementing Agency: Maharashtra State Forest Department

Council Session Approved: Twenty-Eight (Lima, 2000)

Starting Date: October 2002

Duration:	Planned:	12 months
	Actual:	95 months

This pre-project was designed to assess the present status of resource base, plantation, management, processing and utilization of non-timber forest products (NTFPs) in the four selected areas (Alibag, Sawantwadi, East Melghat and Wadsa), dominant for various NTFFPs in the Maharashtra State of India. A resource survey was carried out in selected areas by the Indian Institute for Forest Management (IIFM), Bhopal. It reviewed the existing reports and networking with institutes and organizations engaged in NTFFP resource assessment. Market information was collected through trade reports published by related organizations and by contacting trading houses, intermediaries and other stakeholders.

The pre-project has completed its activities and came up with a project proposal entitled 'Sustainable Management of Non-Timber Forest Produce (NTFP) in Maharashtra state of India'. This was submitted to the 36<sup>th</sup> ITTO Expert Panel and received a Category 2.

The completion, technical and financial audit reports for the pre-project have been submitted to the Secretariat. The Committee may wish to declare this project duly complete.



**13. PPD 97/04 Rev.1 (I) Improve Strategies and Assess Training Needs to Achieve SFM in Suriname**

Budget and Sources of Funding:

Total Budget:	US\$	117,142
Government of Japan:	US\$	94,832
Government of Suriname:	US\$	22,310

Implementing Agency: The Foundation for Forest Management and Production Control (SBB)

Council Session Approved: Thirty-sixth (Interlaken, 2004)

Starting Date: May 2006

Duration: Planned: 04 months  
Actual: 53 months

This pre-project built on the results of the ITTO Technical Mission to Suriname conducted under the provisions of ITTC Decision 2(XXIX). In this connection, the pre-project aimed at: (i) clarifying a national strategy to achieve SFM and to promote a sustainable forest sector; (ii) conducting a thorough assessment of training needs; (iii) designing a training programme and provide details for its implementation; and (iv) assisting in the formulation of a project proposal to strengthen the institutional capacity of the country in the field of SFM.

According to the Completion Report, outputs were achieved as follows:

- Strategies to achieve Sustainable Forest Management and to promote a sustainable forest sector identified, output achieved: A "Strategic Action Plan for the forest sector" was formulated and submitted to ITTO on December 2010;
- Training needs thoroughly assessed and a training program designed, output achieved: The Pre-Project delivered a "Capacity needs assessment in the forest sector of Suriname", which was submitted to ITTO on December 2010. The capacity needs incorporate both the forestry administration and the private sector, based on the strategy identified and the organizational requirements to achieve SFM; and
- A project proposal to implement a training program based on the needs identified developed, output achieved: The project proposal was received under the title of "Strengthening the capacity of the public and private forest sectors of Suriname to achieve Sustainable Forest Management", at the time of submission such proposal could not be considered by ITTO based on Decision 7 (XXXIII), and as of today it could be submitted to the next project cycle.

Total expenditures were under the budget and the Executing Agency returned unspent funds to ITTO in the amount of US\$7,143.00 in May 2010.

The Executing Agency has submitted technical reports, completion report, and final financial audit. The Committee may wish to declare this pre-project duly complete.

**14. PPD 125/06 Rev.2 (I) National Training Programme to Promote the Adoption of Reduced Impact Logging (RIL) in Papua New Guinea**

Budget and Source of Funding:

Total Budget:	US\$	73,235
Government of Japan (BPF-A):	US\$	43,806
Government of Australia:	US\$	15,000
Government of Papua New Guinea:	US\$	14,429

Implementing Agency: Papua New Guinea Forest Authority

Council Session Approved: Forty-first (Yokohama, 2006)

Starting Date: May 2008

Duration: Planned: 06 months  
Actual: 29 months

This pre-project aimed at collecting necessary information to define the structure, form, and content of a national project for a training and demonstration programme to promote the adoption of Reduced Impact Logging (RIL) in PNG.

According to the Completion report, outputs were achieved as follows:

- Diagnosis of current operational harvesting practices at large, medium, and small scale, output achieved, field visits were carried out in August 2008, and later validated by a workshop; and
- Full project proposal for the implementation of RIL, output achieved, a project proposal named "National Training Programme to Promote the Adoption of Reduced Impact Logging (RIL) in PNG" was submitted to the 38<sup>th</sup> Expert Panel for Technical Appraisal of Project and Pre-project proposal held in August 2009, receiving category 2. The revised version was assessed by the 39<sup>th</sup> Expert Panel in February 2010 receiving again category 2, no revised version of the proposal has been submitted by PNG at the time of preparation of this report.

Total expenditures were under the budget and at the Executing Agency returned to ITTO unspent funds in the amount of US\$12,327.00 in August 2011.

The Executing Agency has submitted completion report, and final financial audit. The Committee may wish to declare this pre-project duly complete.

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